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E.O. 12958: DECL: 02/14/2018 TAGS: <u>PARM KNPP AORC IAEA IR</u>

SUBJECT: IAEA/IRAN: LIKE-MINDED READY TO DRAFT A BOARD

RESOLUTION

REF: REF A) UNVIE 64 B) UNVIE 74 C) UNVIE 94

Classified By: Ambassador Gregory L. Schulte for reasons $1.4\ \mathrm{b},\ \mathrm{d}$ and h

¶1. (S) Summary: At a Canadian-hosted meeting February 14 like-minded COMs (P3 1, Canada, Australia, Japan) agreed to work discretely on a Board resolution on Iran, with experts scheduled to meet February 20. Canadian Ambassador Gervais-Vidricaire made a strong case for the Board to reassert its authority two years since its last resolution on Iran and argued that the window of opportunity for Board action would close after the March Board. Australia, Germany and the UK seconded Canada's initiative, and only the Japanese had some reservations. Canada and Australia preferred a resolution that was non-critical of the Secretariat and put the onus on Iran, but UK Ambassador Smith

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warned that an unhelpful DG report could prompt a more critical resolution. Canada also insisted on absolute confidentiality to avoid any perception the like-minded were

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prejudging the report. The like-minded expect that the DG report will remove all issues from this of outstanding questions except for the key issue of weaponization, and are also concerned about how much emphasis the DG would give suspension and the AP. Ambassador Schulte warned that the DG would be inclined to report progress at any cost and agreed that the Board needed to reassert its authority. None of the like-minded Ambassadors raised previous concerns about Board action interfering with the UNSC process.

12. (S) In a separate meeting the same day, Chinese Ambassador Tang told Ambassador Schulte that he expects a report showing substantial progress and that the Board should welcome the progress. Tang, who had met with Iranian Ambassador Soltineh earlier the same day, repeatedly asked if the IAEA had been provided the evidence it needed. Tang also suggested that Iran and the IAEA be brought into P5 1 negotiations. Ambassador Schulte advised that the IAEA had a verification, not a negotiation, role. End Summary

Expectations for the DG Report

13. (S) At a Canadian-hosted meeting February 14, like-minded COMs (P3 1, Canada, Australia, Japan) discussed expectations for the DG's report on Iran and the need for Board action. The like-minded agreed to work quietly at the expert level on Board resolution elements pending the release of the DG report, now expected on February 25. Canadian Ambassador Gervais-Vidricaire opened by noting that neither the date nor the content of the report were firm. She expected that the work plan would not be "finished" but that the DG would report progress on issues adjudged no longer be outstanding, with the sole exception of the "alleged studies." She noted press reports of disagreement in the Secretariat over closing issues as well the sharp denial on the part of an unnamed Secretariat official, dismissing such reports as "hype." She

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added there will certainly be no progress on confidence building measures, including suspension and the AP, to the contrary, Iran is moving ahead with advanced centrifuges.

14. (S) Canadian Msnoff assessed the basic outlines of the DG report, which he expected would be "all things to all people" or "nothing to no one." All that is missing, he said, are the crucial adverbs and adjectives. He noted that the Secretariat was not fully satisfied with Iran's responses on

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a number of issues, including the improbable story on contamination. AEOI's role in Gachin mine from 1993-2000 also did not preclude military involvement. All of these issues hint at military involvement, but the Secretariat had made the tactical decision to close them in order to rely on the "alleged studies" to get at the truth of the matter. Clearly, inspectors believe the studies documents to be credible. However, he cautioned that the Secretariat seemed to lack a clear objective or approach and it is unclear how the report would cast this issue. French Charge Gross noted that the Secretariat should publicly acknowledge the credibility of the information, but as an Australian Msnoff observed, they have been "cagey" on this point. Ambassador Schulte agreed that the use of the term "alleged studies" is prejudicial.

- 15. (S) Ambassador Schulte reported that the inspectors still have had no direct contact with the military and have not interviewed the former PHRC Director, Fakrezadeh. He told the group that the U.S. was supporting IAEA requests for information and documentation, and encouraged others to do so as well. German Ambassador Gottwald advised that German missile experts were providing technical expertise to the Agency.
- 16. (S) It is also unclear how much emphasis the DG report would place on suspension or on implementation of the AP and Code 3.1, Canadian Msnoff observed. The PIV at Natanz had assessed that P-1 centrifuges were not working well and the Secretariat is expected to report on IR-2 testing with UF-6,

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though development of the IR-2 would take time (ref c). He expected the report to acknowledge some additional transparency on the part of Iran, including the impromptu site visit to Kalaye. Safeguards Director Nackertts has assured Australian Msnoff these steps fall far short of AP implementation. However, Gross noted that the in his remarks at the February 9-10 Munich Security Conference, ElBaradei referred to Iran's de jure if not de facto implementation of the AP providing a good basis to understand its nuclear program. After second-guessing UNSC requirements on suspension, Gross feared the DG was now eroding the AP, giving credit to Iran for piecemeal cooperation, and paving the way for routinization of the Iran file.

- 17. (C) UK Ambassador Smith advised that UNSC deliberations had not made much progress because South Africa, Indonesia and Libya continue to slow-roll the UNSCR. Ambassador Schulte reported that the P-3 and Russia are pushing for prompt adoption of the UNSCR. The EU-3 planned to circulate a slightly amended resolution next week. However, as the date for the DG's report drew closer, Smith was resigned to the fact that the UNSCR would be delayed until after the report. Gottwald questioned to what degree the DG report would keep the work plan "open" and whether that could complicate action in New York. Gottwald remained hopeful, however, that a report attributing a clear military intention to Iran's nuclear program could "give a boost" to NY.
- 18. (S) Comment: Notably, like-minded COMs did not voice reservations raised in previous meetings (and over the past two years) that Board action is contingent on the UNSC process (ref a). The discussion turned entirely to the prospect of a Board resolution. End Comment.

Window of Opportunity for a Board Resolution

- 19. (S) Gervais-Vidricaire made a strong pitch for Board action, which was secunded by Australia, Germany and the UK, the latter "enthusiastically." Since the February DG report is unlikely to close all issues, she argued the March Board presented a window of opportunity for the Board to assert itself, reaffirm suspension and render its judgment, putting the onus on Iran without being critical of the Secretariat. She expected that the February report would plead for more time. By the time of the June Board, that window would have closed as the Secretariat would likely have completed the work plan and countering its assessment would be much more difficult. The Board had not pronounced itself in two years and the time to do so was now, she concluded. Canada's priority was reasserting the credibility of the Board; it was essential for the Board to say something. Iran would no doubt spin the report and a Board resolution would be a corrective to Iran and the NAM.
- 110. (S) Australian Charge Kruse envisaged a Board resolution that welcomed "progress" and noted the Secretariat's conclusions but also reasserted the need for answers to all questions and a robust verification regime before closing the Iran file. A resolution would make clear, Gervais-Vidricaire concurred, that the work plan was "not the end of the story." Neither Canada nor Australia were prepared to take the lead on a Board resolution but suggested the like-minded move

forward as a group. Gottwald agreed that this was not the end of the road, and the Board should "map the road ahead" on all that remains to be done. He underlined the need for a robust inspection regime given the Secretariat's admittedly "diminishing knowledge" of Iran's ongoing program, though he was more "flexible" on the AP.

111. (S) Smith advised that London was "enthusiastic" about working on a resolution but cautioned that much depended on the DG report. A report that acknowledged the impasse with Iran would allow for a non-critical resolution, lauding the Secretariat's efforts. However, a report that purported to

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"solve" the Iran file would result in a critical resolution that would not get consensus. Smith cited "loose words" in the press attributed to Secretariat officials, though probably not the DG, concerning "hype" and countries with agendas. He saw a clear possibility that the DG would report Iran's "baseless allegations" response and asked whether the like-minded should consider criteria for a satisfactory report.

112. (S) Gervais-Vidricaire preferred to focus on a Board resolution that need not get into the minutiae of the DG report. Rather, a resolution could refer to previous Board

decisions; opine in general terms on insufficient progress in the work plan and missed deadlines; and note the confidence building measures that are still required. Getting into the detail of the DG's report would lend the appearance of second-guessing the Secretariat. She also advised against developing criteria in advance of the report for the same reason.

113. (S) Japanese Ambassador Amano was the only one to express some reservation about the value added of a Board resolution, though he remained open-minded. He felt the resolution two years ago remained strong and attempts to recreate it could weaken it. However, if a similar resolution could gain consensus it would add value because the previous resolution was voted on; he observed that the Board composition was the best one could hope for, though South Africa could be spoiler. The possibility of consensus depended on the DG report. Amano also cautioned against re-opening previous Board decisions on suspension and the AP in operative language, so as to not give others an opportunity to challenge these decisions. Nuclear Counselor noted that seeking consensus could not be an end in itself and that the threat of a vote was tactically necessary.

Reigning in the DG

114. (S) Ambassador Schulte worried that the DG was desperate to report progress at any cost, even that of ignoring UNSCRs, and was not ready to declare the work plan dead or pass judgment on weaponization. The U.S. had advised the DG privately that the Agency's credibility is at stake and the report could not be a whitewash; Iran must fully disclose its past weapons program and allow the IAEA to verify, including through the AP, that it has stopped and will not restart. Ambassador Schulte observed that the Board had not passed a resolution in two years so as to not get in the way of the UNSC, but in so doing, it had ceded authority to the DG. The work plan had abetted Iran by drawing out the process and delaying a UNSCR. He agreed it was time to reassert the Board's authority. The added value of a resolution would be to pronounce Iran's cooperation inadequate, reaffirm Board decisions on suspension and the AP as well as Code 3.1, and to lay down a marker that the Board would decide when the Iran file was closed.

Next Steps

115. (S) Like-minded COMs agreed to reconvene following the issuance of the DG report and that experts should meet on February 20 to draft resolution elements. (Note: Mission intends to participate and contribute the suggested elements in ref b.) Gottwald noted that the resolution could be divided into two parts, reaction to the results of the report and expectations beyond the work plan, and suggested that the like-minded begin engaging others on the idea of a Board

resolution. Canada insisted on the need for absolute confidentiality as it would be damaging if the NAM knew we

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were working on a resolution prior to the DG's report. Japan noted that the Secretariat could also delay issuance of the report. The like-minded agreed that the Board Chair should be advised of a resolution as soon as practicable after the report. The French noted that EU3 3 Political Directors were expected to meet soon after the report was issued and should seek Russia and China's agreement on a Board resolution.

Consultations with China

¶16. (S) Ambassador Schulte met separately with Chinese Ambassador Tang on February 14, and had also consulted with Russian Ambassador Zmeyevsky, who was in a listening mode, on the NIE and the forthcoming DG report on Iran. Ambassador Schulte advised Tang that the Secretariat was in the end game

on the critical issue of weaponization, information it considers credible, authentic and worrisome. Tang who had met with Iranian Ambassador Soltineh that morning repeatedly asked whether the IAEA had been provided evidence. According to Tang, Iran did not think the "alleged studies" were a problem, and claimed not to have received the information the IAEA had promised.

- 117. (S) Based on his discussions with ElBaradei and DDG Heinonen, Tang expected a report positive for Iran noting that progress had been made on three work plan issues and that Iran was now addressing military issues. China had also urged Iran to cooperate and restore confidence. If the report is positive, Tang believed the Board should welcome and encourage Iran's continued cooperation. Ambassador Schulte underscored the need for full disclosure of the past weapons program and assurance it is not re-started. He cautioned that the DG is desperate to report progress and the work plan has only served to delay a UNSCR.
- 118. (S) Tang stressed the need for a negotiated solution and new framework for negotiation. He suggested that the P5 1 could be recast as P6 1 (i.e. including Iran) or P6 1 1, adding Iran and the IAEA as negotiating partners. Ambassador Schulte advised that including the IAEA would confuse the Agency's role, which is verification, not negotiation, and noted that the IAEA was not a part of the Six Party Talks on the DPRK. The IAEA had a role in the outcome but not in the talks. Tang believed the IAEA should be part of the Iran talks at a certain stage. SCHULTE